

Economic Impact Statement
LSA Document #12-270

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses
Estimated Number of Small Businesses Subject to this Rule:

The Department of Natural Resources currently regulates construction activities in public freshwater lakes pursuant to [IC 14-26-2](#) and [312 IAC 11](#). Pursuant to the statute, permits are valid for only two years from the date of approval. Included in the regulated activities are the placement of temporary structures such as group piers and dredging. Piers are typically put out in the spring and removed each winter but many times they are installed in the same configuration year after year. Dredging projects sometimes cannot be completed in two years because of the size of the project and weather considerations. The proposed rule would allow permits for these type of projects to be extended beyond a two-year period. The change will save small businesses the costs of the application fee and preparing supporting documentation every two years and eliminate the need for Department staff to re-review the same project every two years.

Based on a review of the permits issued in the last five years, it is believed that 20 to 25 of these types of permits may have been issued to small businesses annually.

Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur for Compliance:

There are no annual reporting or specific record keeping requirements or costs contained in the new rule.

Estimated Total Annual Economic Impact on Small Businesses to Comply:

The proposed rules should result in an annual cost savings to small businesses that have obtained a permit for a temporary structure or dredging pursuant to [IC 14-26-2](#). That statute provides that permits are valid for only two years meaning that a permit needs to be renewed every two years if the temporary structure continues to be placed in the lake or additional time is needed to complete a dredging project. Permit fees under [IC 14-26-2](#) are \$100. The proposed rule provides a mechanism for permit renewal that eliminates the need to apply for a new permit in certain instances saving the small business the cost of preparing a permit application and supporting materials.

Justification Statement of Requirement or Cost:

There should be no additional costs to small businesses as a result of the rule amendment, and the change should provide a cost savings.

Regulatory Flexibility Analysis of Alternative Methods:

The rule provides a mechanism for small businesses to renew a permit in certain circumstances without the need for filing a new permit application every two years. The alternative is to continue to require an applicant to reapply for a permit every two years with the resultant expense which might be incurred to complete the permit application and provide supporting materials. That alternative results in an unnecessary expense for small businesses and a duplicative effort for the agency to review the "same project" again and again.

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